



THE WHITE HOUSE

WASHINGTON

December 12, 1977

MEMORANDUM FOR

THE SECRETARY OF THE INTERIOR
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF COMMERCE
THE SECRETARY OF ENERGY
THE ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY
THE ADMINISTRATOR OF GENERAL SERVICES
THE DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION
THE ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS
THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS
THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
THE CHAIRMAN OF THE COUNCIL ON ENVIRONMENTAL QUALITY
THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY
POLICY

FROM

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SUBJECT:

Interagency Review of Nonfuel Minerals-
Related Policy Issues

The President has directed that a Nonfuel Minerals Policy Coordinating Committee, under the Chairmanship of the Secretary of the Interior and consisting of the addressees, develop for Presidential consideration a set of policy options to address issues and problems related to nonfuel minerals. This memorandum will serve to inform you of the commencement of the interagency efforts to accomplish this policy review under the procedures established in the Domestic Policy Review System.

PURPOSE OF STUDY

Members of Congress, the public, and several recent Commissions have enumerated many of the reasons why such a study is needed. World consumption of nonfuel minerals has been rising and will probably continue to do so. United States economic health requires that the supply of such minerals remain adequate and that prices remain relatively stable.

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Yet, in recent years the ability of domestic and international minerals markets to meet these requirements has become uncertain. Serious concerns have been expressed regarding:

- Whether the trends toward international interdependence and the politicization of certain minerals markets are increasing U. S. vulnerability to foreign supply curtailments and price manipulations;
- Whether U. S. reserves, production capacities, and inventories are adequate to deal with possible supply/price interruptions, or with the economic and social consequences of such disruptions;
- Whether the economic health of the domestic minerals industry is adequate, as reflected in energy costs and supplies, investment, transportation, manpower, and other factors related to the structure and vitality of the industry.
- Whether land use decisions are based on adequate minerals information and analysis;
- Whether current tax laws favor the use of raw minerals over recycled minerals or encourage substitution and other conservation practices;
- Whether current government regulations adequately protect the environment, health, and safety while not unduly affecting the supply and price of minerals;
- Whether minerals policies adversely affect U. S. trade posture and balance of payments;
- Whether existing government policy analysis, data analysis, and data collection functions are adequate to support federal decision-makers responsible for formulating, implementing, and monitoring nonfuel minerals policies.

The development and implementation of effective, operational policies to address these and other related concerns require careful and systematic consideration of three distinct perspectives: first, that particular minerals or groups of related minerals have unique characteristics

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which must be examined on a commodity-by-commodity basis; second, that certain policy issues related to minerals are generic in nature and cut across specific minerals or groups of minerals; and third, that issues relating to minerals availability are international in scope. Every effort should be made in the study to take account of these three perspectives.

There are two basic objectives of the interagency study: (1) to prepare for Presidential consideration a set of policy options, analyses, and recommendations on specific issues and problems related to nonfuel minerals; and (2) to develop, test, implement, and provide for the continuing use of a policy analysis framework which federal policymakers can use to update and expand the analysis in this study as needed in the future.

STRUCTURE OF STUDY

In order to accomplish these objectives, the study will focus on the issues, problems, and conditions related particularly to those domestic and imported minerals considered most critical to the United States economy. For the most part, the issues are concerned with (a) the policy information and analysis required to support federal decision-makers in developing, implementing, and monitoring minerals policy, including laws and regulations applicable to the issue and mineral under consideration; and (b) the supply/demand data and analysis of specific minerals, including both economic and non-economic factors, which are required to conduct policy analysis. Eight interagency working groups will be organized to examine issues and minerals which incorporate these two general concerns. Each working group should identify and evaluate existing and alternative policy options, make recommendations, and suggest actions to be continued by particular government agencies.

The agencies listed in parenthesis should take leadership responsibility for the following subjects:

- A Policy Analysis Framework to Support Nonfuel Minerals Decision-making (Interior)
- The Adequacy of Government Minerals Data Collection and Data Analysis Capabilities to Support Policy Analysis (Interior)

- The Adequacy of Government Capabilities for Evaluating the Mineral Potential of Federal Land Prior to Land Use Decisions (Interior)
- Domestic and Foreign Policy Issues Related to International Interdependence (State)
- Government Tax, Investment, and Development Finance Policy (Treasury)
- Government Policies Affecting Domestic Minerals Supply (Interior)
- Government Policies Affecting Minerals Demand (Commerce)
- Government Policies Affecting Minerals-Related Research and Development (NSF)

Nearly every agency of the federal government has responsibilities related to nonfuel minerals. Several agencies with lead roles in the study and with cross-cutting responsibilities have been assigned to the Policy Coordinating Committee. A number of other agencies are receiving copies of this memorandum and their participation in the study will be invited as the need arises. A mechanism will also be developed for close and continuing consultations with interested Members of Congress and the public.

SCHEDULE

Within six weeks, a project management plan for this study should be developed under the leadership of the Secretary of the Interior and the Director of the Office of Science and Technology Policy, taking full account of relevant, ongoing government activities. The Policy Coordinating Committee should submit options and recommendations for Presidential consideration within 15 months of the date of initiation.

cc: The Secretary of Defense
Attorney General of the United States
(cont'd. next page)

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cc: The Secretary of Agriculture
The Secretary of Labor
The Secretary of Housing and Urban Development
The Secretary of Transportation
→ Director of Central Intelligence
The Chairman of the Federal Trade Commission
The Chairman of the Interstate Commerce Commission

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